EXHIBIT E

ripple

Insights

Q2 2021 XRP Markets Report

Team Ripple

JUL 29, 2021

INSIGHTS   XRP
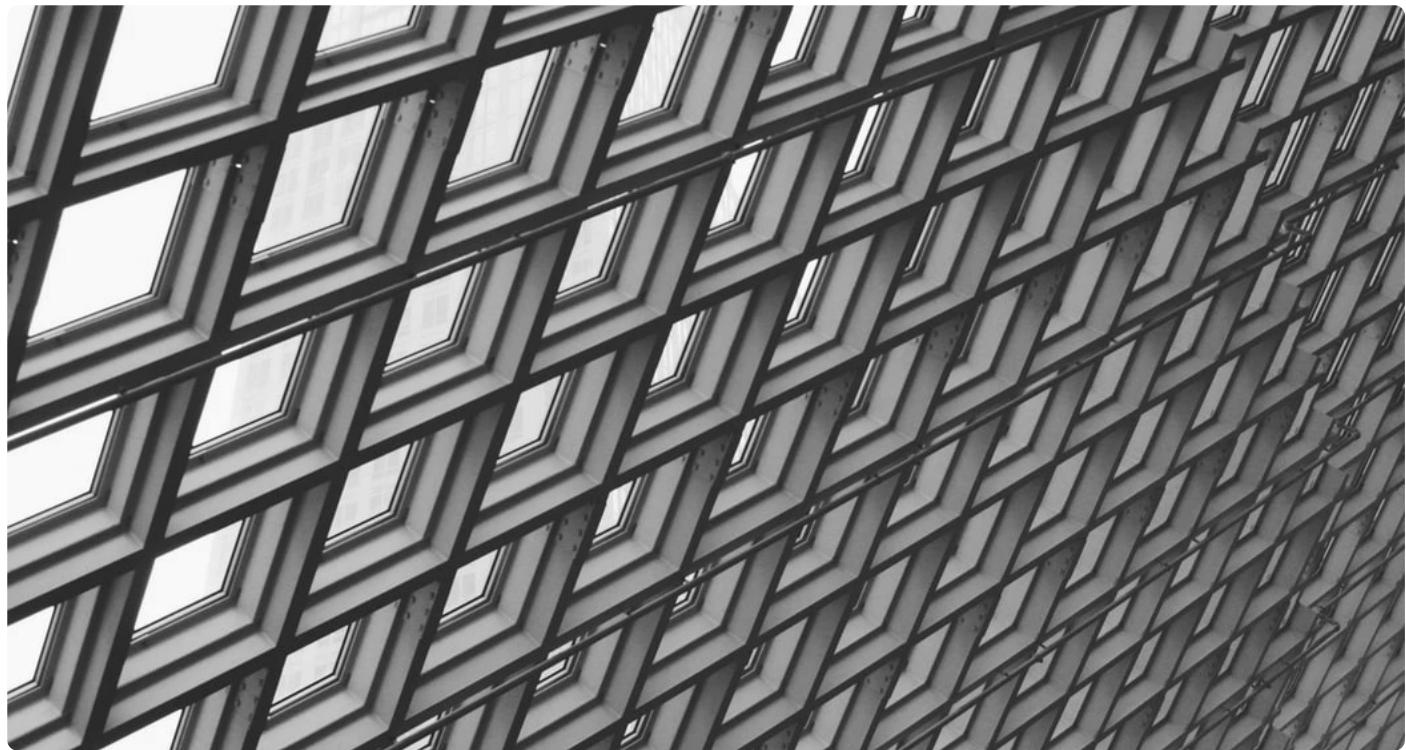
Ripple publishes the quarterly XRP Markets Report to voluntarily provide transparency and regular updates on the company's views on the state of crypto generally including the XRP market, such as quarterly sales updates, relevant XRP-related announcements and commentary on previous quarter market developments.

As an XRP holder, Ripple believes proactive communication and transparency are part of being a responsible stakeholder. Moreover, Ripple urges others in the industry to build trust, foster open communication and raise the bar, industry-wide.

Executive Summary

There was no shortage of events that were reported to contribute to market volatility in Q2 — notably ransomware attacks, environmental concerns, Elon Musk's tweets and regulatory scrutiny, among others. The second quarter of 2021 saw significant increases in crypto market capitalization followed by a steady decrease. During the larger market period, which lasted 396 days (Feb 2020 – April 2021), total crypto market capitalization increased 15-fold. However, beginning April 22, prices eventually decreased by over 20%.

Some countries took sweeping action firmly supporting or denouncing the use of cryptocurrencies. On one hand, El Salvador passed a law making bitcoin legal tender, making it the first country to do so. Chinese regulators, on the other hand, reportedly shut down mining operations across the country citing concerns over environmental impact and tightened restrictions on financial institutions from providing crypto-related services. These actions resulted in a drop in hashrate and increased bearish sentiment.

Although the jury is still out on whether "price follows hashrate" or "hashrate follows price", there is correlation between the two. During the most recent bear market, bitcoin's hashrate dropped 50% from its highs which correlated to the decrease in bitcoin price over the period.

Finally, markets were also impacted by growing fears of inflation. Just in June, the U.S. consumer price index increased 5.4% which was the biggest monthly gain since August 2008.

The State of Regulatory Clarity

Last quarter, the U.K. Financial Conduct Authority extended its end date of a temporary licensing regime for existing crypto businesses to March 2022. The extension allows crypto firms to operate while the regulator continues to assess and approve applications. Similarly, several top crypto players have been operating under a grace period in Singapore while license applications are being processed under a clear licensing regime through the Monetary Authority of Singapore.

Meanwhile, in the U.S., many pointed out the need for consumer protection and clarity to drive healthy markets, but regulators continued to fail to provide clear guidance for market participants as the popularity for cryptocurrencies skyrocketed.

Update on the SEC Lawsuit against Ripple

The case is in the discovery phase — the process of exchanging information, including documents and taking deposition testimony. Fact discovery is currently scheduled to be completed on August 31 followed by expert discovery which is scheduled to close on October 15, 2021. Ripple opposed the SEC's request to extend these dates 60 days from the original deadlines and will continue to do everything it can to move the case along as expeditiously as possible.

Key milestones include in Q2:

- The Court agreed — for the third time — that Ripple is entitled to certain internal SEC documents.
- The Court denied the SEC's request that it be granted access to Ripple's privileged communications with its attorneys. The Court found that the proper focus of Ripple's "fair notice defense" is on "the SEC's failure to provide fair notice to the market about the Commission's state of mind as to whether XRP qualified as a security." The Judge's full opinion can be found here.

Disciplined, Responsible Stakeholders: Q2 Sales and Purchases

Last quarter, total XRP sales by Ripple, net of purchases, were $157.92M vs. $150.34M (USD) the previous quarter. Ripple continued to engage in sales to improve the On-Demand Liquidity (ODL) experience of certain customers, eliminating the need for pre-funding at exchanges and enabling instant global payments.

Total sales by Ripple, net of purchases, ended the quarter at 4 bps or 0.04% of global XRP volume according to CryptoCompare TopTier (CCTT) volumes. This is compared to total sales in the previous quarter of 7 bps according to CCTT.

Sales Summary *(dollars in millions)*	Q1 2021	Q2 2021
Total ODL-related sales*	150.34	157.92
Total purchases	0.0	0.0
Sales *(net of purchases)*	150.34	157.92

Global XRP volume	Q1 2021	Q2 2021
ADV XRP *(dollars in millions)*	2,264.26	4,492.16
Total XRP volume *(dollars in billions)***	203.78	408.80
Net sales as % of total volume	0.07%	0.04%

ODL-related sales include OTC and XRP sales to support ODL (including Line of Credit) and key infrastructure partners.
**Note: Figures were compiled using the CryptoCompare API for daily TopTier aggregate volumes which reflects total XRP volume in dollars by exchanges that CryptoCompare lists in the TopTier. Ripple continues to evaluate its benchmarks given challenges, such as fake volume, that continue to persist in the industry.*

Leases

Certain wallets that are being used for XRP sales also provide short-term leases to market makers. This is worth noting given they are often incorrectly interpreted by market participants as sales. Leases are ultimately returned to Ripple. Total leases outstanding in Q2 2021 were 57.7M XRP.

Reported Volume

CCTT's reported daily volume for XRP increased significantly in Q2 2021 from Q1 2021. The average daily volume reported doubled to $4.49B in Q2 vs. $2.26B in the previous quarter. Notably, XRP volumes posted four of the highest volume days ever recorded.

Volatility

XRP's standard deviation of daily returns over Q2 was 11.5% and was more volatile than BTC (5.0%) and ETH (7.3%) due largely to XRP's volatility in early April.

Escrow

In Q2 2021, three billion XRP were released out of escrow (one billion each month) in line with prior quarters, and the official escrow arrangement. In total, 2.7 billion XRP were returned and subsequently put into new escrow contracts throughout the quarter. For more information on the escrow process, see here. Note: All figures are reported based on transactions executed during the quarter.

XRP Market Infrastructure and Liquidity Update

Last quarter, Swissborg, a blockchain-based platform, launched an XRP smart yield wallet for holders to earn yield on XRP as it does for bitcoin, ETH and other cryptos. In addition, Swissborg listed XRP to enable its holders to trade XRP with 16 crypto and 15 fiat currencies. Lastly, crypto trading platform Liquid announced holders can earn yield on XRP through Liquid Earn.

As Swissborg, Liquid and other third-parties integrate XRP into their offerings, these integrations contribute to healthy XRP markets.

A Tokenized Future

The widespread use of digital assets to represent ownership of assets on a blockchain — or, tokenization — is transforming how people buy, sell, track and manage assets of all kinds from art and real estate to intellectual property, equities and supply chain goods. With over 5,000 tokens issued since its inception, the XRP Ledger was designed with a decentralized exchange and characteristics to handle all types of currencies or assets efficiently, sustainably and at low cost.

RippleX Eyes NFTs

Ripple announced its investment in Mintable, an NFT marketplace that allows users to seamlessly create, buy, and sell digital items using fiat or cryptocurrency. NFTs have the long-term potential to accelerate the creator economy, inspire new business models and open access to broader participation in the modern financial system. The gaming industry is ahead of the curve. In 2020 alone, gaming saw consumers spend a collective $54 billion on virtual goods to own, trade and sell — and this is only the beginning. With plans for XRP Ledger integration, Mintable is unlocking mass consumer adoption of crypto and allowing potentially billions of NFTs to be minted, bought and transferred in a sustainable, cost-effective way. In addition, RippleX proposed functionality that would provide enhanced NFT support on the XRP Ledger at lower cost and allow developers to leverage auction functionality on its decentralized exchange.

RippleNet Prepares Enterprise for Crypto

As Europe continues to be a key market, Ripple announced its appointment of Sendi Young as managing director of Europe. A quarter of Ripple's current customers are based in Europe, and year to date, European ODL transactions grew by 250% in comparison to 2020, making up over 40% of all ODL transactions year to date.

In addition, APAC continues to trend positively with the announcement of Novatti's use of ODL for instant, cross-border payment focused on remittances between Australia and the Philippines through the country's largest non-bank, Filipino-owned remittance service provider, iRemit.

Related stories
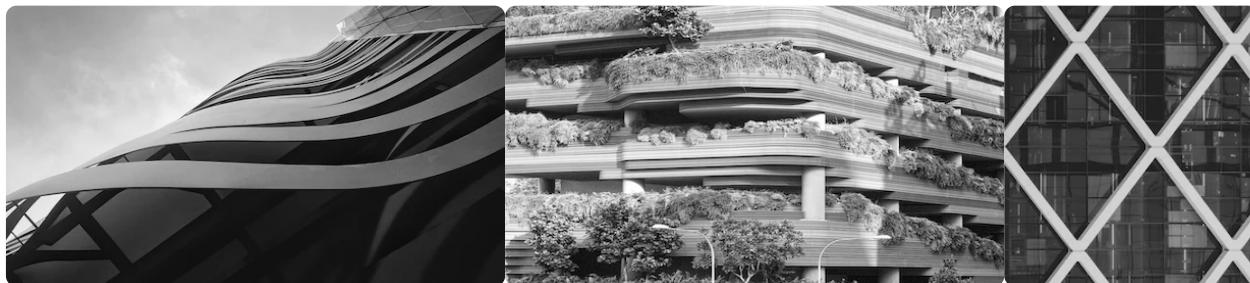
SME Cross-Border Payments: A Growth Opportunity for Banks

AUG 8, 2023

Centigrade Powers the Next Evolution in Carbon Markets

AUG 7, 2023

Q2 2023 XRP Markets

JUL 31, 2023

Subscribe to the Ripple Newsletter

Email Address *	→

ripple

BACK TO TOP

SOLUTIONS

Cross-Border Payments

Crypto Liquidity

Central Bank Digital Currency

CUSTOMERS

Customers Overview

Customer Case Studies

RippleNet Customer Login

ABOUT US

Our Story

Ripple Impact

Academia

SBI Ripple Asia

RESOURCES

FAQs

Developer Resources

Our Partners

Public Policy

Get Support

Press Center

Compliance

RippleNet Committee

Cookie Preferences

LEARNING & EDUCATION

Blog

Content Library

Events

Learn About XRP

CAREERS

Careers Overview

Open Roles

Company Culture

Engineering

Terms | Privacy

© 2013 - 2023 Ripple, All Rights Reserved.